

**SOUTH DAKOTA COMMISSION ON GAMING PUBLIC HEARING ON
PROPOSED RULES AND QUARTERLY BUSINESS MEETING
DEADWOOD CITY HALL, DEADWOOD, SOUTH DAKOTA**

MINUTES
March 14, 2013

At 9:00 a.m. the meeting was called to order. Commissioner Ralph Kemnitz, Commissioner Karen Crew, Commissioner Dennis Duncan and Commissioner Tim Holland were present. Commissioner Harry Christianson was unable to attend the meeting. Staff members present for the meeting were Tim Engel, Commission Attorney; Larry Eliason, Executive Secretary; Craig Sparrow, Director of Operations and Enforcement.

The meeting was called to order by Commissioner Kemnitz and roll call was taken.

Public Hearing on Proposed Rule Changes

\$1,000 Maximum Wager Amounts ARSD 20:18:12.01:08.01

Commissioner Duncan made a motion to adopt the rule change as presented. Commissioner Holland seconded the motion which carried unanimously.

Class A Violation ARSD 20:18:12.01

Penalties for Failure to Maintain Minimum Bankroll ARSD 20:18:12.01:14

Commissioner Crew made a motion to adopt the rule changes as presented. Commissioner Duncan seconded the motion which carried unanimously.

GENERAL MEETING

Commissioner Kemnitz called the general meeting to order at 9:25 am.

Approval of Agenda

No changes were noted to the agenda

No conflicts of interest were noted on the agenda.

November 28, 2012 Quarterly Meeting

Commissioner Duncan made a motion to adopt the drafted minutes from the November 28, 2012 meeting. Commissioner Holland seconded the motion which carried unanimously.

Stipulations of Assurance and Voluntary Compliance

GR Deadwood, LLC, dba Mineral Palace

A monetary penalty of \$2,000 was imposed for a complaint that was filed on October 30, 2012 alleging that licensee failed to inform executive secretary or his designee of a surveillance equipment malfunction and by failing to maintain audio recording in the count room as required by South Dakota Commission on Gaming rules.

A monetary penalty of \$1,000 was imposed for a complaint that was filed on December 5, 2012 alleging that licensee failed to comply with the internal controls of its slot management system as required by South Dakota Commission on Gaming.

Commissioner Duncan made a motion to accept the two stipulations and monetary penalties imposed. Commissioner Crew seconded the motion which carried unanimously.

Racing Commission Officials and Race Track Officials

Commissioner Holland made a motion to approve the Commission officials for the 2013 horse racing season as listed on page 20 of the meeting packet and the racing officials for each track for the 2013 horse racing season for the Verendrye Benevolent Association and Northeast Area Horse Racing, Inc. officials as listed on pages 21 and 22 of the meeting packet. Commissioner Duncan seconded the motion which carried unanimously.

Racing Contracts

Veterinarian Services

Commissioner Crew made a motion to accept the contract with Cooper Animal Clinic as the official veterinarian for the 2013 horse racing season. Commissioner Duncan seconded the motion which carried unanimously.

Laboratory Services

Commissioner Crew made a motion to accept the contract with the Center for Tox Services as the official lab for the 2013 horse racing season. Commissioner Duncan seconded the motion which carried unanimously.

Report on 2013 Legislative Session

Larry Eliason, Executive Secretary, gave a report on the 2013 Legislative Session on Senate Bill No. 146, which would allow the commission to do a tax lien on a property if the gaming taxes were not paid. No action was taken on this matter.

Deadwood Licensing Matters

Director of Operations/Enforcement Sparrow recommended approval of the following:

Key License

Chawn Elliot

Business License Approvals

- ✓ Approval of Lisa Modrick as the owner of a retail license **(0582-RT)** to be left unassigned at the current time.
- ✓ Approval of William Sherlock and Frank Cantonia as Directors on the NG South Dakota, LLC's Operator, Route Operator, and Retail licenses **(0226-OP, 0034-RO, 0521, 0522, & 0523-RT's)**
- ✓ Approval of a retail license in the name of Branch House Properties, Inc. **(0585-RT)** owned by Deals Publication, Inc. and Ronald Meis (both current business licensees) to be assigned to the Branch House at 37 Sherman Street, Deadwood.

Commissioner Duncan made a motion to approve the Key License approval and Business License approvals as staff recommended. Commissioner Crew seconded the motion which carried unanimously.

Next Commission Meeting

The next quarterly commission meeting will be June 12, 2013.

GLI will be holding a tribal gaming regulators seminar in Deadwood on June 11, 2013 to which all commissioners will be invited to attend.

There was discussion regarding requiring new applicants to appear before the commission before their licenses are approved. No action was taken on this topic. This matter will be further discussed at the next meeting.

EXECUTIVE SESSION

Commissioner Crew made a motion to go into Executive Session pursuant to SDCL 42-7B-8.1 (3) and (5) and 1-25-2 (1) and (3), at 9:45 a.m. Commissioner Duncan seconded the motion which carried unanimously.


The Executive Session was concluded at 11:45 a.m. with no formal action taken.

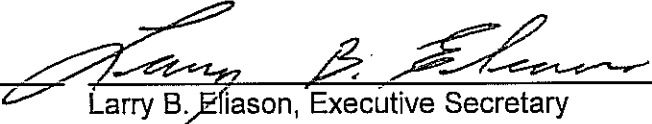
No further business to be discussed.

Commissioner Duncan made a motion to adjourn the meeting. Commissioner Holland seconded the motion which carried unanimously.

Meeting was adjourned at 11:50 a.m.

Respectfully submitted,
Kathy Fredericksen


Ralph A. Kemnitz, Chairman


Larry B. Eliason, Executive Secretary